

# 117 - O.C. HOUSING AUTHORITY - OPERATING RESERVES

## Operational Summary

### Description:

To work in partnership with and advocate for Orange County's diverse communities, improve lives by supporting and providing needed community services, strengthen economic viability, and preserve and expand affordable housing opportunities; thereby enhancing the quality of life for our community.

### Strategic Goals:

- Increase and preserve affordable housing opportunities, especially for those most in need.

### FY 2004-05 Key Project Accomplishments:

- In 04-05, Housing and Community Service (HCS) held two grand openings for affordable housing developments: Fountain Valley Senior Apartments and Stanton Accessible Apartments. These provided a total of 66 new affordable housing units. HCS also issued a Notice of Funding Availability in September 2004 for \$5,000,000 which will be used to fund 200 new affordable housing units.
- The Housing Assistance Division at HCS provided monthly rental assistance to more than 9,400 households during each month of FY 04-05. New federal funding limitations required HCS to reduce its former lease-up levels in the Section 8 Housing Choice Voucher program. This ensured that program resources benefiting the Section 8 Rental Assistance clients were fully utilized within new federal funding constraints.

**O.C. Hse Authority/Oper Reserv** - Operating Reserve funds may be used only for the cost of ongoing administration of Housing and Community Services' (HCS) current Section 8 rental assistance program or for other housing related purposes consistent with state and local law, including the development of affordable housing as approved by the Board.

### At a Glance:

Total FY 2004-2005 Projected Expend + Encumb:	865,143
Total Recommended FY 2005-2006	5,760,656
Percent of County General Fund:	N/A
Total Employees:	0.00

## Budget Summary

### Plan for Support of the County's Strategic Priorities:

Affordable housing development continues to be one of the Board of Supervisors' Top 10 Strategic Priorities. Over \$29 million has been allocated to affordable housing projects, combining funds 117, 15G, and various redevelopment funds. Of that amount, \$21 million has already been committed to projects. HCS will continue to solicit projects through a Request for Proposal (RFP) and Notice of Funding

Availability (NOFA) for development of affordable rental housing. The goal of the RFP and the NOFA is to promote the development of permanent affordable rental housing for Orange County's very-low and low-income households by providing favorable financing.

### Changes Included in the Recommended Base Budget:

Reduction in outside contracts reflect a more realistic spending pattern for FY 05-06. Fund 117 will continue to provide money for Housing Supportive Service contract, Super NOFA Homeless Assistance application planning activities, and affordable housing monitoring.

### Proposed Budget History:

Sources and Uses	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	Change from FY 2004-2005	
	Actual	Budget As of 3/31/05	Projected <sup>(1)</sup> At 6/30/05	Recommended	Projected Amount	Percent
Total Revenues	7,871,188	6,538,692	6,269,531	5,760,656	(508,875)	-8.11
Total Requirements	1,999,187	6,538,692	885,774	5,760,656	4,874,882	550.35
Balance	5,872,001	0	5,383,757	0	(5,383,757)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2004-05 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: O.C. Housing Authority - Operating Reserves in the Appendix on page page 564

### Highlights of Key Trends:

- In 2004, HUD changed its funding allocation method, which reduced Housing and Community Services (HCS) funding for Section 8 rental assistance. This coupled with Orange County's increasing housing costs, resulted in HCS not being able to support as many Sec-

tion 8 families on a monthly basis. To maximize rental assistance funds, HCS has budgeted several operating expenses in Fund 117. Since future funding continues to be uncertain, HCS is exploring all options to maximize is programs and services.

## 117 - O.C. Housing Authority - Operating Reserves

### Summary of Proposed Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2003-2004		FY 2004-2005		FY 2004-2005		FY 2005-2006		Change from FY 2004-2005	
	Actual		Budget		Projected <sup>(1)</sup>		Recommended		Projected	
			As of 3/31/05		As of 6/30/05				Amount	Percent
Revenue from Use of Money and Property	\$ 647,442	\$	376,899	\$	352,027	\$	376,899	\$	24,872	7.06%
Miscellaneous Revenues	26,311		0		24,872		0		(24,872)	-100.00
Total FBA	5,709,617		5,872,001		5,872,001		5,383,757		(488,244)	-8.31
Reserves	1,494,055		289,792		0		0		0	0.00
Reserve For Encumbrances	(6,237)		0		20,631		0		(20,631)	-100.00
<b>Total Revenues</b>	7,871,188		6,538,692		6,269,531		5,760,656		(508,875)	-8.11
Services & Supplies	685,598		1,550,109		635,143		1,179,953		544,810	85.77
Other Charges	223,494		4,782,583		250,631		4,460,703		4,210,072	1,679.78
Other Financing Uses	1,090,095		206,000		0		120,000		120,000	0.00
<b>Total Requirements</b>	1,999,187		6,538,692		885,774		5,760,656		4,874,882	550.35
<b>Balance</b>	\$ 5,872,001	\$	0	\$	5,383,757	\$	0	\$	(5,383,757)	-100.00%

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2004-05 projected requirements included in "At a Glance" (Which exclude these).